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ABSTRACT

The role of state licensing and approval agencies in providing information to educational consumers prior to their enrollment at an institution was addressed based on a survey of state licensing and approval personnel. Thirty-two states were examined, including officials who were involved in a licensing/approval of degree-granting and proprietary schools and veterans programs. Twenty-five of the states had statutory authority in regard to consumer protection, and two had legislative bills proposed for such statutory authority. Twenty-eight states indicated criteria for licensing or approval that address consumer issues, and 30 indicated action that could be taken if licensed or approved institutions violated the standards. Thirty states cooperate with other consumer agencies, and only two agencies had written procedures for servicing requests for information regarding matters of nonpublic colleges and universities. Thirty states provide information to out-of-state institutions, and 31 of the state agencies, boards, or councils hold meetings that are open to the public and their minutes of meetings are open to public inspection. Among the issues raised by the survey are the following: the question of whether institutions should be required by states to disclose certain basic information to prospective students prior to the collection of any fees and whether administrators of proprietary institutions should be required to meet certain state licensing requirements to conduct an operation within the state. A classification of the surveyed states according to whether the representatives dealt with degree-granting, proprietary, and veterans approval programs is included. (SW)

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THE ROLE OF STATE LICENSING AND APPROVAL AGENCIES IN PROVIDING INFORMATION TO EDUCATIONAL CONSUMERS--A NATIONAL SURVEY

THE FLORIDA BOARD OF INDEPENDENT COLLEGES AND UNIVERSITIES
and
THE STATE AND REGIONAL HIGHER EDUCATION CENTER
of the
FLORIDA STATE UNIVERSITY

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INTRODUCTION

Within the past 16 months, two Phi Delta Kappan articles have focused in part on the dilemma of the educational consumer prior to enrollment at an institution. In the February issue, George Arnstein wrote that schools give out incomplete information and he suggested that a checklist of items which each school should disclose on an annual basis should be developed.[1] Eleven months later, Louis Bender noted that dropping enrollments have led institutions to use "hard-sell merchandising techniques and promotional gimmicks."[2] The Orlans Report, in 1974, clearly stated the problem: "...we have undertaken no comprehensive or systematic study of the extent of misrepresentation and malpractice by the officers and staff of accredited colleges (or proprietary schools)."[3] In the recently published Major Issues in Accreditation, Dr. Kenneth E. Young, President of the Council on Postsecondary Accreditation, emphatically states that "Accreditation cannot serve as a consumer protection guarantee (and) neither can it function as an arm of the government in policing compliance with various federal and/or state laws and program requirements."[4]

Against this backdrop, this research sought to investigate the role of state licensing and approval agencies in providing information to educational consumers prior to their expenditure of money and time.

The following section provides certain background information

relating to the problem, and subsequent sections deal with the methodology and analysis of data collected from state licensing and approval officials. A final section calls attention to potential questions for discussion.

BACKGROUND INFORMATION

Earlier this year, the Council on Postsecondary Accreditation devoted a section of its periodical, "Accreditation," to student consumer protection. The article recounted some of the previous events relating to the consumer area, noting the two invitational conferences sponsored by the Education Commission of the States in 1974.[5] With reference to the present situation, it suggested that "...it is at the federal level that most of the major efforts are taking place,"[6] but that consumerism "...is receiving attention at the state level in the form of increased activity by state officials who license or approve institutions or programs."[7]

An in-depth study by Helliwell and Jung suggests that the states have "...the major responsibility for governing post-secondary education," and that the catalyst to improving the consumer protection process rests with the strengthening of states' licensing, approval, and enforcement functions. The authors also mention that these "...agencies are repeatedly criticized in the literature for not sharing information among themselves, not to mention educational consumers."[8] On the tangent issue of accreditation, the Orlans Report states that "...accrediting agencies (also) disclose little more than their formal standards and the names of accredited institutions--not

the names of those which were denied accreditation, disaccredited, put on probation, found in noncompliance with designated standards, or which have never applied for accreditation."[9] Even in states that have statutes permitting examination of agency records, such as Florida, questions persist regarding informational data that can be expressed by telephone or letter in response to inquiries. Orlans also suggests that "...lists of all non-degree postsecondary schools and all unaccredited degree-granting institutions ... be prepared annually by each state, in a comparable format, and compiled by the Education Commission of the States for public use."[10] The utilization of the Commission as a vehicle to assist states, however, had its roots in the ECS sponsored consumer conferences in 1974.

The participants at both the Denver and Knoxville conferences recommended that "...the Education Commission of the States, ERIC or another appropriate national level organization develop a national clearinghouse for postsecondary education information that could allow sharing information among states and their respective information delivery systems."[11] Helliwell and Jung indicate that the "...lack of specificity in these recommendations suggest they will most likely remain dreams."[12] Communication among agencies on an interstate basis remains a persistent problem to state licensing and approval officials.

Providing information to people is another area of concern. The ECS Report of the Second National Conference on Consumer Protection in Postsecondary Education cites three kinds of information needed by consumers:

> Access information such as program descriptions, costs, payment policies, refund policies, admissions standards, financial aid availability, procedures and criteria for eligibility, health facilities, programs of study, counseling, accreditation, grading policies and requirements for graduation.
>
> Process information such as academic or classwork requirements, patterns of student interaction, student-faculty relationships and disclosure of problem-solving agencies both within and outside the institution.
>
> Outcome information in cases where schools claim their education or training results in certain outcomes. It should be incumbent on those schools to support those claims with verifiable information.[13]

At the present time, consumer responsibilities of licensing and approval agencies vary from state to state. In addition, state laws vary with regard to the accessibility of data relating to institutions and programs. Three items pertaining to the situation in Florida are worthy of mention: (1) the state's "Sunshine Law"[14] provides that all meetings conducted by a state board are public meetings; all committees established by a public body to act in an advisory capacity must conduct their affairs in public meetings; and the minutes of a state board must be open to public inspection; (2) the Florida "Public Records" statute mandates that all state records shall "...be open for a personal inspection of any citizen of Florida;"[15] and (3) recently enacted legislation in Florida will require licensed institutions which recruit foreign students to disclose "...to each prospective student a statement of the institution's purpose, its educational program and curricula, a description of its facilities, its status regarding licensure, and the fact that additional information regarding the institution

may be obtained by contacting the State Board of Independent Colleges and Universities, Department of Education, Tallahassee, Florida.[14] This new law further mandates that the disclosure be made in writing prior to the collection of any fee or tuition from the prospective students. Perhaps this stipulation should be required for all nonpublic colleges.

It is with this background that the study described in the following sections was undertaken.

METHODOLOGY

In an effort to determine the role of state licensing and approval agencies in providing information about nonpublic institutions and programs to educational consumers, a questionnaire was created and pretested during the month of May. The survey was mailed to persons holding state licensing and approval positions. These individuals had been culled from lists provided by the National Association of State Administrators and Supervisors of Private Schools, the National Association of State Approving Agencies, and the Postsecondary Education Convening Authority of the Institute for Educational Leadership.

Many replies indicated that the state attorney generals were involved in certain phases of the consumer process. With this in mind, an additional 51 questionnaries were mailed on June 5, 1976. Thus, a total of 171 individuals were contacted, and 42 responded to the survey. This data represents the 32 states which are given in Table I by area, including officials of degree-granting, proprietary, veterans approval and other agencies.

REPORT OF THE DATA

The questionnaire surveyed ten areas relating to the problem:

1. Does the statutory authority specifically speak to the matter of consumer protection?

2. Do any of the criteria for licensing or approval speak to consumer issues?

3. If licensed or approved institutions violate the abovementioned areas or standards, can the board, agency or council take appropriate action?

4. Does the agency, board or council cooperate with other consumer agencies on matters of mutual interest?

5. Does the agency have written procedures for servicing requests for information regarding matters relating to nonpublic colleges and universities?

6. Does the agency provide students with information which will help them compare institutions?

7. Does the state have specific standards to protect the foreign educational consumer?

8. Does the state have a c al file or data base containing all complaints about private institutions?

9. Does the state provide information to out-of-state institutions?

10. Are the meetings and minutes of the agency, board or council open to the public?

A report of the data can be made utilizing these ten categories, keeping in mind that 62% of the states responded to the questionnaire.

Statutory Authority

A significant question pertains to whether the statutory authority in each state speaks to the matter of consumer protection. Twenty-five (78%) of the states responding answered affirmatively, while two of the negative respondents have legislative bills being proposed.

Criteria for Licensing or Approval

When asked the question of whether criteria for licensing or approval speak to consumer issues, twenty-eight (88%) answered affirmatively. The two areas mentioned most frequently were refund policy and provision of performance bond. Other areas listed were: admissions, publications, disclosure statements, redress, curriculum, adequate facilities, qualified instructors, educational objectives, statutory progress, advertising, credentials, non-discrimination, health and safety.

Institutional Violations

With reference to the action that the council or board could take if licensed or approved institutions violate the abovementioned areas or standards, thirty (94%) answered affirmatively. Twenty-five (78%) of the respondents cited revocation of license. Other specific actions that agencies take are suspension, injunctive relief, fines, imprisonment, penalties, or conditional approval.

Cooperation with Consumer Agencies

Thirty respondents (93%) cooperate with other consumer agencies on matters of mutual interest. Agencies mentioned most

were: Attorney Generals' Offices, Consumer Affairs, and Better Business Bureaus. Other agencies listed were USDA, State University System, Department of Education, Teacher Certification, Veterans Approval Agency, Governor's Office, Department of Professional and Occupational Regulation, State Board of Independent Vocational, Technical and Business Schools, county consumer agencies, Legal Aid Society, Chambers of Commerce, Vocational Rehabilitation, news media and Social Security.

Procedures for Servicing Requests

Only two agencies (6%) responded affirmatively when asked if their agency has written procedures for servicing requests for information regarding matters of nonpublic colleges and universities. Information given to educational consumers upon request in those two states to help them compare institutions include: employability of graduates, costs, financial aid, specific learning resources, success and failures among current students, and career information.

Comparative Information about Institutions

Another significant question pertains to a central file or data base containing all complaints about private institutions. Twenty-eight (87%) states responded negatively to this question.

Information to Out-of-State Institutions

When asked whether their state provided information to out-of-state institutions, thirty (93%) responded affirmatively.

Meetings of Agency, Board or Council

Thirty-one (97%) of the state agencies, boards or councils hold meetings that are open to the public and their minutes of meetings are open to public inspection. This is a statutory requirement for twenty-five of the states responding. Sixteen respondents are holding meetings at various locations throughout their states.

SUMMARY AND POINTS FOR DISCUSSION

This survey seems to confirm that most state licensing agencies have some degree of legal authority pursuant to consumer protection. The ECS Model Legislation has been adopted by several states and requires institutions to provide prospective students with a catalog or brochure describing the program offered, program objectives, length of program, tuition and other charges, cancellation and refund policies and other facts. In the Florida licensing regulations, institutions licensed or seeking to be licensed, which offer courses leading to a degree in those professions and occupations regulated by other state agencies, must advise students in writing, prior to the collection of any registration or tuition fee, that the courses (and degrees) will not qualify the holder under current Florida law to utilize it for eligibility to take exams or be issued certificates by the state.[17] As noted earlier, most state agencies suggested that measures exist to suspend or revoke licenses or program approvals.

Serious questions remain which relate to the type and amount of information given to educational consumers by both the agencies

and the institution. Helliwell and Jung, at the conclusion of their extensive study, offer a cogent comment about this issue indicating that there is relatively little "empirical evidence to suggest the actual extent of presumed institutional abuses or the degree to which consumers themselves perceive various institutional practices to be abusive."[18] The lack of written procedures for servicing requests for information is of parallel interest. Once again, Helliwell and Jung may have touched upon a potential answer to this problem. They suggest "separating more narrow consumer protection interests from those of educational and career decision making in general; identifying a very limited set of things individuals ought to know and be able to do to avoid or deal properly with abusive institutional practices; and identifying techniques individuals can use to secure and use such data themselves."[19] This approach, if adopted by state agencies, might serve to provide specific guidelines and thereby enable the licensing and approval officials to establish procedures for dealing with written and telephonic inquiries.

A number of points for discussion evolve from this study:

1. Should institutions be required by the states to disclose certain basic information to prospective students prior to the collection of any fees? What information should be disclosed by the institution?

2. Should chief administrators of proprietary institutions be required to meet certain state licensing requirements to conduct an operation within the state? What requirement should there be for licensure?

3. Should state licensing and approval agencies or their national organizations undertake a study to determine the extent of misrepresentation in the institutions under their aegis?

4. How can actions by state licensing and approval agencies become more accessible to educational consumers?

5. Should the states prepare, on an annual basis, a listing of all non-degree postsecondary institutions and all unaccredited degree-granting institutions for public consumption?

6. How can state licensing and approving officials improve the information flow between their agencies?

7. Should the states have a role in protecting the foreign educational consumer? What type of activity should the states undertake in this area?

8. Can state licensing and approval officials identify specific educational interests needed by consumers? What things do individuals need to know about institutions or educational programs prior to paying fees?

TABLE I

	Degree-Granting	Proprietary	Veterans Approval	Other
Alabama		x		
Alaska	x			
Arizona		x		
Arkansas	x	x		
California				
Colorado				
Connecticut				
Delaware	x			
Florida	x	x	x	
Georgia		x		
Hawaii				
Idaho	x			
Illinois	x			
Indiana	x	x	x	
Iowa	x			
Kansas	x			
Kentucky		x	x	
Louisiana		x		
Maine		x		
Maryland	x			
Massachusetts				
Michigan	x			
Minnesota				

	Degree-Granting	Proprietary	Veterans Approval	Other
Mississippi				
Missouri	x			
Montana				y
Nebraska		x		
Nevada		x		
New Hampshire	x			
New Jersey		x		
New Mexico				
New York				
North Carolina				
North Dakota				
Ohio	x	x		
Oklahoma	x	x		
Oregon	x			
Pennsylvania	x		x	
Rhode Island				
South Carolina				
South Dakota	x			
Tennessee	x			
Texas				
Utah				
Vermont				
Virginia	x	x	x	
Washington		x	x	
West Virginia	x	x	x	
Wisconsin				
Wyoming				

NOTES

[1]George E. Arnstein, "Accreditation, State Licensing, and Approvals: Why the System Isn't Working," Phi Delta Kappan 56 (February 1975): 396.

[2]Louis W. Bender, "Can Your Catalogue Stand the Test of FTC Guidelines?" Phi Delta Kappan 57 (December 1975): 266.

[3]Harold Orlans, Norma Jean Levin, Elizabeth Bauer, and George E. Arnstein, Private Accreditation and Public Eligibility (Lexinston, MA: Lexington Books, 1975) p. 339.

[4]Council on Postsecondary Accreditation, Major Issues in Accreditation (Washington: Council on Postsecondary Accreditation, 1976), p. 5.

[5]Council on Postsecondary Education, "'Student Consumer Protection' Is New Catchphrase; Activity Abounds," Accreditation 1 (February 1976): 1, 4.

[6]Ibid.

[7]Ibid.

[8]Carolyn B. Helliwell and Steven M. Jung, Consumer Protection Strategies: A Literature Review and Synthesis (Washington: Office of Education, U.S. Department of Health, Education and Welfare, 1975), p. 16.

[9]Orlans et al., Private Accreditation, p. 24.

[10]Ibid., p. 27.

[11]Education Commission of the States, Report of the Second National Conference on Consumer Protection in Postsecondary Education, Report no. 64 (Denver: Education Commission of the States, 1975), p. 5.

[12]Helliwell and Jung, Consumer Protection Strategies, p. 40.

[13]Education Commission of the States, Second National Conference, p. 5.

[14]Chapter 286, Florida Statutes.

[15]Chapter 119, Florida Statutes

[16]Senate Bill 221, 1976 Florida Legislature.

[17]Chapter 6E-1, Rules of the Florida Board of Independent Colleges and Universities.

[18]Helliwell and Jung, Consumer Protection Strategies, p. 56.

[19]Ibid., pp. 57-58.

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